

Lexington Local Schools – Frequently Asked Questions

Due to continued cuts in State revenue and rising costs, the District is facing a serious financial challenge. The District is facing an operating deficit approaching \$3 million this fiscal year. Over the past several years, the Board has taken steps to lessen the impact of declining State and Federal revenue, such as not replacing staff who retire or resign, and maximizing the use of technology and educational services. While these measures helped, they were not enough to close the gap. It was against this backdrop that the Board entered into contract negotiations with both its teaching and non-teaching unions.

Negotiation Goals

As negotiations began, the Board focused on two priorities:

1. Adding needed scheduling flexibility for the opening of the new Elementary School in two years.
2. Securing a fair and fiscally responsible wage and insurance settlement—one that recognizes the daily contributions of employees while avoiding further strain on District finances.

Union Negotiations

The Board approached both unions with a set of proposals and worked with each to narrow the issues to the most critical concerns. With the non-teaching union, the parties reached an agreement quickly, and we are grateful for their prompt ratification.

Negotiations with the teachers' union, however, proved more difficult. The discussions reached an impasse, requiring a third-party mediator. Ultimately, the Board and the union's bargaining team reached a tentative agreement. Although this agreement stretched the Board to the very edge of its negotiating authority, it was a fair compromise for all involved.

Union Rejection and Board Response

When the LTA rejected the tentative agreement, the Board was stunned. The union's own bargaining team had signed off on the deal and understood that it represented the Board's last, best offer.

Because the Board had already made clear that this was the limit of what could be offered, further negotiations would have been fruitless. With no other option, the Board moved to unilaterally implement the tentative agreement. This was not the outcome the Board wanted, but it was necessary to move forward.

Agreement Highlights

The agreement provides all teachers with a 2% annual raise for the next three years. These raises are in addition to the step increases and educational degree increases already built into the salary schedule.

Clarifying Misinformation

We are aware that some misinformation is circulating. To be clear: the Board approved a fair contract that recognizes the dedication of our teachers while ensuring stability for students, families, and the community.

District's Position on the Contract

Q: Why did the Board implement the contract?

The Board had reached a deal with the teachers' union negotiating team that reflected the absolute maximum the Board could provide. Simply put, the Board had no more room to negotiate. Ohio law permits the Board to unilaterally implement a contract under such circumstances. While implementation was not the Board's desired outcome, given that the teachers' negotiating team already had signed off on the deal, the Board felt implementation achieved a fair deal for our teachers while addressing the District's precarious financial circumstances.

Q: What was the District's goal in offering this contract?

Our goal was to provide a contract that honors and supports our teachers and keeps Lexington competitive in attracting and retaining the best educators, while also avoiding compounding the District's financial struggles. We recognize that teachers are central to our students' success, and we remain committed to fair compensation and benefits.

Q: How do broader economic challenges factor into this?

We must acknowledge that families and taxpayers are also facing financial strain in today's tight economy. At the same time, State tax reforms and funding cuts have created both short-term and long-term budget challenges for the District. These realities require us to balance fiscal responsibility with the need to provide competitive compensation for our teachers.

Negotiation Process and Contract Implementation

Q: What happened in negotiations?

The District and teachers' union representatives reached a **tentative agreement (TA)**, signed by both bargaining teams, which included raises and modest insurance changes. However, the union membership rejected it.

Q: Why didn't the Board go back to the table?

As mentioned above, the Board had reached a deal with the teachers' union negotiating team that reflected the absolute maximum the Board could provide. Ohio law permits the Board to unilaterally implement a contract under such circumstances. Again, implementation was not the Board's desired outcome. However, given that a tentative agreement (TA) had been reached and agreed to by the teachers' negotiating team, the Board felt implementation achieved a fair deal for our teachers while addressing the District's difficult financial situation.

Q: What raises and benefits are in the agreement?

- **Three consecutive 2% annual raises**, in addition to step increases.
 - The average teacher will realize a salary increase of nearly **13% over three years** (~\$7,800).
 - Year one average increases are about **4.7%** when base and steps are combined.
 - Over the 3 years of this contract, **51 teachers** will see increases ranging between **15.14% to 29.91%**, an additional **70 teachers** will see increases between **8.1% and 13.7%**, and **17 teachers** at or near the top end of the salary schedule will see increases between **6.12% and 6.72%**.
 - Insurance changes: **1% premium increase** equating to approximately **\$25 per month** for a family plan and **\$11 per month** for a single plan. **Deductibles** increasing from **\$250/\$500 to \$400/\$800**, **co-insurance** rising from **15% to 20%**, and **individual/family out-of-pocket** maximums rising from **\$1,500/\$3,000 to \$2,500/\$5,000**. These insurance changes apply to all District employees and remain at or below SERB (State Employment Relations Board) averages for school districts across the State.
 - With regard to **out-of-pocket maximums**, over the past two years, the following is a breakdown of those individuals and families that actually reached the out-of-pocket maximum:
 - 2023 – **15 of 57 (26%)** single Subscribers reached the out-of-pocket maximum (\$1,500);
 - 2023 – **40 of 189 (21%)** family Subscribers reached their out-of-pocket maximum (\$3,000);
 - 2024 – **13 of 53 (25%)** single Subscribers reached their out-of-pocket maximum (\$1,500);
 - 2024 – **32 of 193 (17%)** family Subscribers reached their out-of-pocket maximum (\$3,000).
 - These insurance changes represent necessary and modest updates that help to reduce increases in insurance premiums. This results in **savings that is realized by 100% of the employees** participating in our medical insurance plan. Additionally, a vast majority of those individuals and families on our medical plan do not reach the out-of-pocket maximum and are not impacted by the change in out-of-pocket maximum. With a **20% co-insurance**, those individuals who do reach a family out-of-pocket maximum of \$5,000 have incurred in excess of \$25,000 in medical claims. This means an additional **benefit of \$20,000 in medical claims** that are paid by the contributions of others into the self-insurance plan plus an additional benefit for every additional medical claim that is incurred beyond that amount that incurs a **\$0 member responsibility**.
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Compensation and Benefits

Q: Are Lexington salaries competitive?

Yes. Teacher salaries are **near or above averages** of districts in the region and similar districts across the State. The contract remains a 183 day contract, and by the end of this contract, the **average teacher salary will be approximately \$72,000**, with starting salaries at **\$40,931**.

Q: How do Lexington's costs compare regionally?

- **\$13,158 Expenditure** per pupil (19th lowest in the region). [Exp Per Pupil](#)
- **\$5,594 State Revenue** per pupil (18th lowest in the region). [State Rev](#)
- **Second-lowest administrative costs** per pupil. [Admin Costs](#)
- **Third lowest building operations costs** per pupil. [Building Op Costs](#)
- Despite lean spending, Lexington consistently delivers **strong academic results**. [Performance Index](#)

Q: What about health benefits?

Lexington's PPO plan remains highly competitive. Deductibles and out-of-pocket maximums are lower than the averages of PPO plans across the State and certainly lower than high-deductible plans that are offered by other school districts in the area and across the State.

Funding Challenges and Budget Deficit

Q: Why is Lexington facing a budget deficit?

Lexington Schools has lost more than **\$2 million in state funding since FY2024**, while additionally facing a **\$2.7 million reduction** from the elimination of emergency levy renewals. Combined with rising costs, increased student needs, and employee raises, this leaves a projected **\$2.9 million deficit this year**. Lexington Schools continue to rank as one of the lowest in the region when it comes to **State Revenue Per Pupil** and **Total Revenue Per Pupil**.

[State Revenue](#) [Total Revenue](#)

Q: How does the state funding formula hurt Lexington?

The formula weighs **property values (60%) and income (40%)**. Property wealth is updated immediately, but base costs are frozen at FY2021 levels. This has reduced Lexington's state share percentage from approximately **50% to about 30%**, forcing the District to rely more on local taxes while state aid shrinks and shifts the burden to our local community.

Q: Is the District "top-heavy" in administration?

No. Lexington has the **second-lowest administrative costs per pupil** in the region. Claims of being "top-heavy" are not accurate. [Admin Costs](#)

Q: Why are any changes to insurance included in this contract?

The cost of health care continues to rise significantly causing the District's General Fund cost for medical insurance alone to reach \$5,000,000 annually, or approximately 17% of the General Fund budget. All of our employees have access to an extremely generous medical plan. For our family medical plan, the premium cost for this plan is \$2,580.87 per month, or \$30,970.44 annually. As part of this contract, all employees were asked for an additional employee share of 1% of this premium, resulting in the following premium contribution change for our teachers and administrators for our family plan:

Family Medical Premium (Prior Contract)			
	<i>Board Share (86%)</i>	<i>Employee Share (14%)</i>	<i>Total Premium</i>
<i>Monthly Premium</i>	\$2,219.55	\$361.32	\$2,580.87
<i>Annual Premium</i>	\$26,634.60	\$4,335.84	\$30,970.44
Family Medical Premium (New Contract)			
	<i>Board Share (85%)</i>	<i>Employee Share (15%)</i>	<i>Total Premium</i>
<i>Monthly Premium</i>	\$2,193.74	\$387.13	\$2,580.87
<i>Annual Premium</i>	\$26,324.88	\$4,645.56	\$30,970.44

Under the new contract, \$26,324.88 of the annual premium continues to be covered by the Board for each employee on the family medical plan. Modest changes to our insurance plan are crucial for the sustainability of the plan itself and the District finances as a whole.

Q: Is the District hiding money?

No. The district is **audited annually** and cannot hide funds. Budget forecasts and state reports are public and transparent.

Q: Why not offer more?

The District has already stretched its resources to the limit. This truly is our best offer based on our financial forecast and the uncertainty ahead. We believe this contract best balances respect and appreciation for our teachers as well as respect and appreciation for our local community taxpayers.

Q: What does this mean for the future?

Ultimately, we will need to work together as a community to decide what kind of school district we want Lexington to be. Do we want to continue being the kind of district that reflects the high expectations and strong outcomes our community has come to expect? That choice will require collaboration, shared sacrifice, and continued investment in our schools.